

Report to: Lead Member for Education and Inclusion, Special Educational Needs and Disability

Date of meeting: 19 April 2016

By: Director of Children's Services

Title: National Funding Formula for schools: consultation

Purpose: To identify the key issues arising from the National Funding Formula consultation, and to seek approval for the Council's response.

RECOMMENDATIONS

The Lead Member is recommended to:

- 1) note the launch of the consultation on a National Funding Formula (NFF) for Schools on 7 March, and that a response to the 25 questions was required;**
- 2) approve the draft response (Appendix 1), noting that it was submitted on 15 April under the caveat of being subject to approval by Lead Member; and noting the potential issues for ESCC (paragraphs 2.16 to 2.23 of the report);**
- 3) note that while it is not possible at this stage to quantify the impact of the government's proposals (and that this is expected under Phase 2 of the consultation, expected later this year), there is inevitably a risk of reduced funding for the Local Authority and potentially some schools; and**
- 4) note background information and comparators on Dedicated Schools Grant (DSG) and the funding formula for ESCC (Appendices 2-4 of the report).**

1 Background

1.1 Dedicated Schools Grant (DSG) is the main grant the government gives to each local authority (LA) for education provision in their area. It is essentially this grant that has been used to deliver Excellence for All, which is our policy for supporting and challenging schools in our county. Education Service Grant (ESG) further provides towards the services for schools including Schools Improvement, HR, Finance, Legal, etc. DSG is currently distributed to LAs, and each LA, through agreement with its Schools Forum, manages a local funding formula for the onward distribution to schools.

1.2 In 2010 the coalition government first noted its intention to move towards a "national funding formula" (NFF) for schools. On 7 March 2016 the Department for Education (DfE) launched the first of 2 planned consultations on this ([Schools national funding formula - Consultations - GOV.UK](#)), laying out its proposals for achieving a national formula and seeking views on:

- the principles that underpin the formula;
- the building blocks that are used to construct the formula; and
- the factors that are included in the formula.

- 1.3 The DfE are also seeking views on the proposed structure of the formula, that is to:
- introduce a school-level NFF where the funding each pupil attracts to their school is determined nationally;
 - implement the formula from 2017/18, allocating funding to LAs to distribute according to a local formula for the first 2 years, and then setting each school's funding directly from 2019-20;
 - allocate some funding to LAs to distribute where there is a need for local flexibility, and to create a central funding block for LAs' ongoing duties; and
 - ensure stability for schools through the minimum funding guarantee and by providing practical help, including an 'invest to save' fund.
- 1.4 The draft response to the 25 questions in the consultation is included at Appendix 1.
- 1.5 The second phase of the consultation will cover how DfE propose to balance different factors in the NFF, and the impact of the formula on funding for individual areas and schools. It is therefore not possible at this stage to quantify the impact of the government's proposals on ESCC or East Sussex schools. As background to the sums involved, Appendix 2 shows the DSG that ESCC currently receives and how it is currently spent.
- 1.6 DSG is currently allocated in three blocks, each of which is calculated differently and is subject to separate regulations as to eligible expenditure: Schools Block, High Needs Block and Early Years Block. LAs also receive funding for 2 year olds as an additional funding block allocation. This consultation focuses on the Schools Block.
- 1.7 Alongside this, the DfE are also seeking views on proposals to introduce a High Needs (HN) NFF for children and young people with special educational needs. The response on this is being coordinated within CSD by the Head of ISEND Provider Services, with Finance's support and this has initially identified a risk of up to £2.0 million HN DSG across the Council. The consultation also states the Early Years Block will be reviewed later in the year.
- 1.8 Pupil premium, pupil premium plus and the service premium are further methods for the government to fund education provision. The DfE have advised these will continue and are unaffected by the proposals of the consultation.

2 Supporting information

Key points from the consultation

- 2.1 The DfE state in the consultation they are being guided by three principles:
- that funding is distributed fairly and straight to the frontline,
 - funding will be matched to need, so that the higher the need, the greater the funding; and
 - ensuring the transition to a reformed system is manageable.

- National Formula

2.2 For 2017/18 and 2018/19, the NFF would be used to calculate the Schools block for each LA area, but local authorities would continue to distribute this funding according to their local formula – the DfE are calling this a “soft” formula.

2.3 The DfE are proposing moving to the full NFF from 2019-20, including distribution direct to schools, which they are calling the ‘hard’ formula, ie no local (‘soft’) formulae.

- Funding factors and blocks

2.4 For the NFF, the DfE are grouping the formula factors into 4 “building blocks”:

- Basic Per pupil costs;
- Additional needs;
- Schools costs; and
- Geographic Costs.

2.5 Within the building blocks, DfE are proposing to keep 11 of the 14 factors that LAs can currently include in their local funding formulae, and to add a new factor to recognise in-year growth in pupil numbers. They are also proposing to exclude 3 factors that are currently optional in local formulae: looked-after children (where they have an alternative proposal for targeting funding through the pupil premium plus), mobility, and post-16.

2.6 As the DfE have provided no exemplifications as yet, it is not possible at this stage to quantify any potential financial impact from the change to the factors. However, as a guideline, Appendix 3 shows how the 2015/16 ESCC funding formula compares with other LAs; and Appendix 4 shows the factors that ESCC currently uses in its local funding formula (together with 16/17 allocations), compared to the proposals.

2.7 Currently, LAs can use (under set criteria) some of each funding block to fund central school services within the LA. The consultation proposes the Schools Block will be ring-fenced from 2017/18 and redefined so the entire Block is passed on to Schools: no transfers from Schools Block to High Needs or Early Years blocks would be possible. DfE then proposes to create a fourth funding “Central Schools” block for LA Services for: central schools services, historic LA spending commitments on schools and the retained rate of the ESG. To enable this, the DfE are ‘re-baselining’ these 4 blocks of the 2016/17 DSG for each LA, recognising the differences between DfE allocations to the three funding blocks and actual expenditure by LAs. The DfE sent templates to LAs on 15 March 2016 in order to capture the baseline and historic spend information. Finance, with CSD, have submitted the first of these returns by the deadline of 12 April 2016. The second is due back to DfE by 27 May 2016.

2.8 As part of their review of the Schools Block and the creation of the new Central Schools block, DfE propose to bring into the Central Schools Block the retained element of ESG, and to end the general element of ESG. ESG is currently paid to all LAs and academies and has two elements, both paid on a per pupil basis:

- General funding (£77 per pupil in 2016/17) to fund duties that LAs and academies are responsible for delivering for their pupils (eg school improvement, costs of new redundancies in schools, HR and financial advice to schools, etc).
- Retained funding (£15 per pupil in 2016/17) payable to LAs for duties that LAs provide for all pupils – in maintained schools and academies (eg education welfare, whole service planning, asset management – capital programming, etc).

2.9 As no exemplifications have been provided in the consultation, the impact of these changes cannot be calculated (and in particular it is not known whether any removed General ESG would be added back in to the Schools or Central Schools Block). However, it does look a significant risk under the proposals.

2.10 The consultation suggests these reductions would be linked to reductions in LA duties, but many LAs, including ESCC, use the grants to fund a wide range of activities and overheads which would not necessarily end with the removal of the duties. Further elements of DSG may also be at risk, but the detail in the consultation does not allow us to estimate this yet. ESCC currently receive just under £1m Retained ESG and, as per above, this is expected to continue.

- Transition

2.11 To help with the transition from the current arrangements to the national formula, the minimum funding guarantee (which ensures individual schools' budgets do not fall below a given percentage from one year to the next) will remain in place for 2017/18 and 2018/19, although the percentage levels at which this will be set have not been confirmed.

2.12 From 2016/17 the DfE will also make available additional funding for schools to invest in ways to save money in future, helping them to manage the transition to a NFF.

- Other issues

2.13 The consultation states that DfE are reforming school improvement policy and that they expect LAs to step back from running school improvement from the end of the 2016/17 academic year, although the paper also suggests that LAs may need to consider the continued provision of school improvement as traded services to academies and any remaining maintained schools. They also state they will "shortly" announce details for funding to support the delivery of their new strategy in this area.

2.14 The consultation also states the function of Schools Forums will be reviewed within the next two years, but adds that DfE do not intend to make changes to the make-up or functions of the schools forum before then.

Schools Forum

2.15 The East Sussex Schools Forum met on 18 March 2016 and discussed the consultation questions they felt required a strong ESCC response on behalf of East Sussex schools. The discussions have been incorporated into the draft responses in Appendix 1.

Potential Issues for ESCC arising from the consultation

2.16 As stated above, Phase 2 of the consultation will cover how DfE propose to balance different factors in the NFF, and provide exemplifications of the impact of the formula on funding for individual areas and schools. It is therefore not yet possible to quantify any potential financial impact to ESCC or East Sussex schools from the proposed changes. However, the following paragraphs highlight potential issues and provide further background.

2.17 Based on the 2015/16 Schools Block funding, ESCC receives per pupil DSG below the national average, as shown in the table below. ESCC is funded 97th highest out of 150 LAs, however is funded higher than our CIPFA comparator group average of £4,357. Appendices 2 and 3 provide more comparison information.

	15/16 Per pupil Schools Block DSG
National average	£4,725
ESCC	£4,442
Minimum	£4,151
Maximum (outside London)	£5,301

2.18 As noted in paragraph 2.7, the DfE are re-baselining spend across the 4 DSG Blocks. In starting to prepare for this, Appendix 2 has been prepared, showing Dedicated Schools Grant (DSG) received by ESCC in 2015/16.

2.19 Paragraph 2.7 also describes how no transfers will be allowed between DSG Blocks under the proposals, and that the DfE plan to review where DSG is actually spent in 2016/17 compared to its allocation. In 2016/17, ESCC transferred £0.957m from the Schools Block:

- £0.700m to the High Needs Block (due to pressures from increased numbers of agency placements, a high number of pupils requiring individual tutoring and increasing numbers of pupils with identified special educational needs); and
- £0.257m to the 2 year old funding allocation (due to the high take up of two year olds accessing a funded place in East Sussex, and given the shortfall in funding between what we pay and what we are funded for).

2.20 Paragraph 3.14 of the consultation states that DfE will be making available capital funding to help with infrastructure changes that might be necessary to shape high needs provision. In addition, paragraph 3.40 of the consultation (and noted in paragraph 2.12 above) states DfE will launch an 'invest to save' fund in 2016/17, helping schools manage the transition to the NFF. Although no further details are provided, ESCC should note both of these potential sources of funding.

2.21 Paragraph 3.22 of the consultation proposes the withdrawal of current arrangements for schools de-delegation, to give schools greater responsibility for their budgets. This would mean that schools would have individual responsibility where to buy services such as behaviour support services, insurance, and licenses and subscriptions either. This therefore creates a risk to current arrangements, especially if LAs cannot trade unless under a legally separate entity, although it also potentially provides an opportunity for ESCC services to transition to such a traded service.

2.22 Further to the launch of the consultation on 7 March 2016, the Chancellor, in his budget of 16 March 2016, laid out plans to convert every primary and secondary school in the country into academies by 2020 (or plans for conversion by 2022). This was swiftly followed by the issue of the "[Educational excellence everywhere](#)" White Paper on 17 March 2016. It is unclear at this stage how these plans may affect ESCC, but if all schools do convert to academies, impacts will need to be considered, such as the key impact on LA responsibilities and staff numbers, as well as the liability of school staff pensions.

2.23 In the budget, the Chancellor also added some detail to this NFF consultation, stating it was the government's aim that 90% of schools who gain additional funding under the new formula will receive the full amount they are due by 2020. He also announced £500m of additional core funding to schools over the course of the Spending Review to enable this to happen. Again, it is not known how this might affect ESCC.

3. Conclusion and reasons for recommendations

3.1 This report has identified the key issues from the NFF consultation and proposed the ESCC response (Appendix 1). It has also highlighted potential wider issues that will need to be considered as part of the proposed change to the NFF (paragraphs 2.16- 2.23).

3.2 The next steps will be:

- Finance, with CSD, completing the "historic commitments" template for the DfE by 27 May 2016;
- reviewing the exemplifications and weightings of the factors proposed for the NFF under Phase 2 of the consultation, expected later this year – to consider the impact on ESCC; and to respond to the phase 2 consultation; and
- ensuring Schools Forum prepare for the "soft" NFF (a working group is being set up to this effect).

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

[Schools national funding formula - Consultations - GOV.UK](#), 7 March 2016

[School funding in England. Current system and proposals for 'fairer school funding'](#) House of Commons Library Briefing paper, 9 March 2016

['Educational excellence everywhere'](#) White Paper, 17 March 2016

Appendix 1 – Draft ESCC response to the consultation

	V/N	Draft Comments
1 Do you agree with our proposed principles for the funding system?	Y	All children should have the same opportunities for a good education and therefore funded accordingly regardless of their background and where they live. Details of how the balance between simplicity and responsiveness will be achieved are needed. Schools will need to be very clear about what they will need to budget for / pay for under proposed changes.
2 Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?	N	While we agree with greater transparency and fairness, we consider moving to, and staying with, the "soft" formula is a better approach. We would also strongly argue that ring-fencing the schools block and removing the ability for interblock transfers as early as 2017-18 will not allow schools and LAs the opportunity to ensure that EY and HN provision can be delivered at the level that recognises current commitments, and there is therefore a risk of a "cliff edge" that will impact on providers, children and families that couldn't be mitigated. With any changes, there would need to be a clear & transparent process in place to ensure minimum turbulence for schools and Local Authorities. If the objective is to direct funding to areas of need, this knowledge may be the expertise of the LA as a 'one size fits all' approach of a national approach may not allow for responsiveness to specific local factors. Until more detail is received it is difficult to make a more comprehensive response.
3 Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?	Y	This supports the recognition that costs can be greater with KS3 and KS4 pupils: - the nature of the curriculum in secondary's, and the opportunities for choice by pupils means extra costs - eg language classes may not be at budgeted full groups of 30 pupils; - the curriculum becomes increasingly specialised particularly with regard to practical activities - eg science, art, design, etc that have high consumable and equipment costs. It also provides a degree of certainty for all types of school in relation to the basic amount of funding that will be received.
4 a) Do you agree that we should include a deprivation factor? b) Which measures for the deprivation factor do you support? • Pupil-level only (current FSM and Ever6 FSM) • Area-level only (IDACI) • Pupil- and area-level	Y Y N N	One of the main reasons for implementing a national funding formula is that variations in funding should not be based on out of date data. Using IDACI goes against this idea as data used for this is updated only every 5 years. To support aim of targeting funding where there is a need, the FSM/Ever6 data is updated annually offering a consistent, up to date source. IDACI is only updated on a 5 year cycle and may therefore not be the most appropriate measure for the allocation of deprivation funding Too complicated, reduces accuracy of allocating resources to qualifying children.
5 Do you agree we should include a low prior attainment factor?	Y	This is the closest factor to representing SEN within the funding formula so should continue to be used as a factor. The accuracy, consistency and moderation of assessments must be transparent to avoid divergent goals of one phase to achieve maximum attainment impacting on next phase prior attainment funding. The concept of a 'notional SEN budget' needs to be maintained and clearly explained.
6 a) Do you agree that we should include a factor for English as an additional language? b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?	Y Y	It could be argued that there are longer term impacts on education of these pupils and that schools must invest additional resources to ensure these pupils make good progress. The formula is aimed at addressing pupil characteristics so providing sustained support seems a sensible way forward. We agree the EAL3 indicator should be used.
7 Do you agree that we should include a lump sum factor?	Y	Will there be consistency in terms of the lump sum amount a school receives across the country? Whilst the lump sum helps recognise the fixed costs that schools are faced with, it is likely that there will be a substantial financial impact on small schools if there were a significant reduction in the lump sum. Details on proposals to manage the step change to lump sums for amalgamating schools would be helpful. It would also be helpful to have a longer period of time for tapering the lump sums paid to amalgamating schools, given we are encouraging schools to amalgamate.
8 Do you agree that we should include a sparsity factor?	Y	Agree that this will help to protect schools serving children in areas where there is no other education provision in the geographic area and these may be small schools. Clarity around the qualifying criteria and rationale will be key if confusion over eligibility is to be avoided.
9 Do you agree that we should include a business rates factor?	Y	There are substantial costs surrounding business rates that schools pay which do not appear to have a strong correlation to pupil characteristics. Therefore, this should be included as a discrete factor. If funding is allocated on the basis of 2016/17 actuals for the duration of the soft formula then consideration must be given to the impact of rates revaluations that may occur during that 2-3 year period.
10 Do you agree that we should include a split sites factor?	Y	There needs to be recognition that additional costs are incurred where there are split sites. However, the criteria should consider whether the split site is due to unavoidable circumstances, (which should be supported) or the result of choice (which may not warrant such support). Until more detail is received on the proposed basis for calculating this element it is difficult to make a more comprehensive response.
11 Do you agree that we should include a private finance initiative factor?	Y	This expenditure is substantial and clear funding support is required. Agree that this is complex with unique contracts. We would need details to consider impact of formulaic approach rather than allocations on actual contract cost.
12 Do you agree that we should include an exceptional premises circumstances factor?	Y	We agree that funding for such exceptional circumstances should be available. However, we would question whether this should be a discrete funding factor. Could the specific circumstances be included within a wider Premises factor? Until more detail is received on the proposed basis for calculating this element it is difficult to make a more comprehensive response.

13	Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors? <ul style="list-style-type: none"> • Business rates • Split sites • Private finance initiatives • Other exceptional circumstances 	N	For consistency, these elements should be treated in the same way. However, whilst for some of these elements there would not be too much change between years, for items such as rates there could be substantial changes which would impact on schools budget due to the lagged funding approach. Fixing funding on a historic basis could result in increased financial pressure on schools in future years. Currently LAs work to locally mitigate the impact of increases to these costs and flex the budget allocations accordingly.
14	Do you agree that we should include a growth factor?	Y	Forecasts show that there is a continuing increase in the number of pupils entering the school system which is set to continue for several more years to come. Therefore, it will be appropriate to include a growth factor. Without such a factor, schools/ academies will be expected to provide the necessary teaching provision without the required funding in their budget. This could also place an insurmountable pressure on LAs to deliver their statutory responsibility for provision of school places. If the current procedures for budget share calculation continue into the 'hard' formula, then funding would be allocated to schools via a lagged approach. This has, to date, been managed by LAs across all schools. However it may be extremely difficult for schools/ academies to bridge the financial funding gap on an individual basis to potentially meet the required demands. Until more detail is received on the proposed basis for calculating this element it is difficult to make a more comprehensive response.
15	Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?	N	Growth implies an increase. Therefore, if we use historic spend there would be a substantial lagged funding issue as no recognition for the current year's growth. This is already the case with new schools and growing schools. This would exacerbate the issue. LAs currently have local knowledge and accurate data which, under the current funding formula arrangements, allows funding to be allocated in year. This avoids a funding lag and also sits well with the LA responsibility for Pupil Place Planning.
16	a) Do you agree that we should include an area cost adjustment? b) Which methodology for the area cost adjustment do you support? <ul style="list-style-type: none"> • general labour market methodology • hybrid methodology 	Y Y N	If there is a choice between only general labour market methodology and hybrid methodology, we believe the general labour market methodology is best. However, the proposed approaches fail to recognise differences between the 'rest of England', such as counties in the South East that, although not considered part of the London Fringe (like West Sussex CC), are nonetheless still impacted on in relation to high cost of living and higher than average house prices which has a direct impact on salary costs. This is particularly acute close to borders with neighbouring authorities who are in the Fringe, yet where housing costs are no different to those in East Sussex.
17	Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?	Y	Continuing with this process will help the continual focus on specific pupils aided by an increase in per pupil amount from 2017/18. Targeting of the resource at individual pupil level is undertaken by the Virtual School. If it were included in the Schools Block, there is a risk it wouldn't be so targeted, that economies of scale across groups of children would no longer be recognised, and the Virtual School would have very limited capacity to support the most vulnerable group of children. If Pupil Premium / Pupil Premium Plus were to cease to exist, there would be a need to safeguard funding in the hard formula to support this group of children, and again, this shouldn't necessarily go straight into schools' budgets.
18	Do you agree that we should not include a factor for mobility?	Y	While recognising mobility impacts on pupil outcomes and creates additional challenges for schools to achieve good levels of progress, due to the high mobility threshold of 10% before a school would receive any funding, there is no real requirement for this factor to be used.
19	Do you agree that we should remove the post-16 factor from 2017-18?	Y	Post 16 funding is already separately received via the EFA and, if that continues, there is no requirement for funding to be found via what is currently DSG.
20	Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?	Y	This is on the assumption that the necessary amendments are adhered to in relation to the High Needs Block. i.e. Recognition of actual expenditure and up to date data being used. Currently there are huge pressures on the High Needs block due to High Needs Block DSG allocations to Local Authorities being based on historic out of date spend. We consider ring-fencing the schools block for 2017-18 is too soon to allow schools and LAs the opportunity to safeguard the requisite level of High Needs provision in the next financial year. We are also concerned that current use of LA funds will not be properly reflected in the baseline assessments and therefore that baselines will not be correctly set.
21	Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?	Y	There is likely to be turbulence to schools as some 'gain' and other 'lose' through the next 2-3 years as the NFF is rolled out. In order to provide as smooth a transition as possible to the 'hard' formula, it may be prudent to allow the MFG rate to be set by each LA for the 'soft' formula period as this will allow local flexibility to manage the impact in a more focussed way, rather than an immediate 'one rate fits all' national approach. Until more detail is received on the proposed basis for calculating this element it is difficult to make a more comprehensive response.
22	Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?	Y	Although we agree the funding should be provided and welcome a more transparent and fair methodology, we do not agree with the per-pupil methodology. We think there may be a case for a hybrid approach to LA funding; i.e. a fixed lump sum for all LA's plus a per-pupil allocation. This would acknowledge that larger authorities may require additional funding and provide smaller authorities with some financial stability. We are, however, concerned at the potential speed of the change and would welcome the opportunity to see the detail of the proposed transition arrangements. We would also welcome the opportunity to review the specific proposal and exemplifications under Phase 2 of the consultation.

23	Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?	Y	It's important to recognise that Local Authorities will need some flexibility in their provision of services. This would appear to be fair methodology.
24	Are there other duties funded from the education services grant that could be removed from the	N	
25	Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?	Y	We believe this would be the most efficient method. We have excellent working relationships between the Local Authority, Schools Forum and East Sussex schools that enables us to meet local needs and demand.

Appendix 2 - Dedicated Schools Grant (DSG) in ESCC, 2015/16

Description	Schools Block	High Needs Block	Early Years Block	2-year olds	De-delegated	Total DSG
Primary ISB	114,288,100	220,000	749,600	0	0	115,257,700
Secondary ISB	55,890,900	380,000	0	0	0	56,270,900
Special ISB	0	4,663,300	0	0	0	4,663,300
School Consolidated Account	0	0	0	0	(1,986,100)	(1,986,100)
Schools Delegated	170,179,000	5,263,300	749,600	0	(1,986,100)	174,205,800
Schools Non-delegated	2,602,900	33,600	0	0	535,482	3,171,982
Sub total Schools	172,781,900	5,296,900	749,600	0	(1,450,618)	177,377,782
CSD Central Resources	2,427,900	1,000,400	278,100	0	386,518	4,092,918
Early Help & Commissioning	967,900	0	0	0	0	967,900
Children & Families	1,538,200	110,000	0	0	0	1,648,200
Learning & School Effectiveness	2,201,700	27,959,200	14,535,300	3,913,700	955,600	49,565,500
Communications, Planning & Performance	630,300	405,700	23,900	0	71,900	1,131,800
Sub total Children's Services Non Schools	7,766,000	29,475,300	14,837,300	3,913,700	1,414,018	57,406,318
CHILDREN'S SERVICES DEPT	180,547,900	34,772,200	15,586,900	3,913,700	(36,600)	234,784,100
BUSINESS SERVICE DEPT	217,800	786,200	57,500	0	36,600	1,098,100
GOVERNANCE SERVICES DEPT	500	52,600	0	0	0	53,100
TOTAL DSG	180,766,200	35,611,000	15,644,400	3,913,700	0	235,935,300

Appendix 3 – 2015/16 Funding Formula National Comparative Data - ESCC out of 151 Local Authorities

	Lowest	Highest	East Sussex	East Sussex Ranking (Lowest =1)	Average	Median
% Pupil Led Funding	64.53%	96.16%	75.91%	15	90.00%	90.21%
Primary/Secondary Ratio	1.18	1.6	1.31	95	1.3	1.29
Primary Lump Sum	£48,480	£175,000	£147,000	96	£127,952	£125,900
Secondary Lump Sum	£48,480	£175,000	£150,000	81	£139,739	£150,000
Primary Amount Per Pupil	£2,322	£6,000	£2,662	19	£3,014	£2,897
KS3 Amount Per Pupil	£3,000	£7,755	£3,701	24	£4,158	£4,008
KS4 Amount Per Pupil	£3,000	£10,976	£4,648	90	£4,680	£4,517

Appendix 4 – Formula factors proposed in the consultation compared to those ESCC will use in its local 16/17 funding formula

Building Block (within Schools Block)	Factor	Proposed in consultation for use from 17/18?	East Sussex		
			In 16/17 local formula?	Funds allocated 16/17 (£)	No. of Schools and academies
Per pupil costs	Basic per-pupil funding (3 rates for Primary, Key stage 2 and Key Stage 3 pupils)	Y	Y	199,621,900	All
Additional needs	Deprivation	Y	Y	16,922,100	All
	Low prior attainment	Y	Y	11,867,900	All
	English as an additional language	Y	Y	212,700	Secondary phase only (26)
Schools costs	Lump sum	Y	Y**	25,888,400	All
	Sparsity	Y	Y***	70,000	14
	Business rates	Y	Y	4,425,400	All
	Premises – Split sites	Y	Y	320,100	4
	Premises – PFI	Y	Y	2,437,900	4
	Exceptional premises	Y	Y	80,600	13
	Growth	Y	N*		
Geographic Costs	Area cost adjustment	Y	N		
Other	Looked After Children	N	N		
	Mobility	N	N		
	Post 16	N	N		

* New factor proposed in the consultation

** Lump Sum: Primary phase will receive £142,000 per school.
Secondary phase receive £145,000 per school.
(agreed reductions of £5,000 from 15/16)

***Sparsity: Eligible Schools receive a lump sum of £5,000.